



[3410-11-P]

DEPARTMENT OF AGRICULTURE

Forest Service

Black Hills National Forest, Bearlodge Ranger District; Wyoming; Bear Lodge Project

AGENCY: Forest Service, USDA.

ACTION: Notice of intent to prepare an environmental impact statement.

SUMMARY:

A Plan of Operation has been submitted by Rare Element Resources, Inc., for the purpose of constructing and operating a rare earth elements mine in the Black Hills National Forest, Bearlodge District in Crook County, Wyoming. The Bear Lodge Project proposed action consists of the Bull Hill Mine, the Miller Creek access road, the power line, and ongoing mineral exploration. The connected action, the Upton hydrometallurgical processing plant and the tailings storage facility are located 45 miles away on private lands outside of Upton in Weston County, Wyoming. Notice is hereby given that the U.S. Department of Agriculture, Forest Service, Black Hills National Forest, will prepare an Environmental Impact Statement (EIS) to determine and analyze the effects of construction and operation of a proposed rare earth elements mine and continued mineral exploration within mining claims held by Rare Element Resources, Inc. on National Forest System (NFS) land. While the Upton Plant is a connected action,

there is no federal authorization for private land and therefore will not be analyzed in detail.

The Bear Lodge Project proposed action consists of the following components:

- Construction and operation of an open-pit mine operation at Bull Hill and associated support facilities, including, but not limited to, a Physical Upgrade (PUG) plant, access route, waste rock facility and sedimentation ponds, located approximately 12 miles (or 6 air miles) north of Sundance, Wyoming;
- Access road along County Roads 208, 266 and 8 and NFS Roads 854 and 851.
- A 69kV, above ground transmission line crossing approximately 1.5 miles NFS lands, while the remainder of the 13-mile line would be on private and State of Wyoming lands; and
- The continuation of mineral exploration by drilling, trenching and bulk sampling located on lands surrounding the proposed mine.

The Bear Lodge Project connected action includes:

- Construction and operation of a hydrometallurgical (Hydromet) plant for further concentration and recovery of the rare earth elements into a rare earth carbonate concentrate product on private land outside the city limits of Upton, Wyoming.

This plant is recognized as a connected action, but will not be analyzed in detail in the EIS;

DATES:

Comments concerning the scope of the analysis must be received by April 30, 2014. The draft environmental impact statement is expected January, 2015 and the final environmental impact statement is expected June, 2015.

ADDRESSES:

Send written comments to Jeanette Timm, Project Coordinator, US Forest Service Black Hills National Forest; Bearlodge Ranger District; 101 S. 21st Street; PO Box 680 Sundance, WY 82729-0680; 307-283-1361. Electronic comments, with Bear Lodge Project on the subject line, may also be sent via e-mail to: comments-rocky-mountain-black-hills-bearlodge@fs.fed.us, or via facsimile to 307-283-3727. Information will also be available on the project web page at the Forest Service website:
<http://www.fs.usda.gov/projects/blackhills/landmanagement/projects>.

FOR FURTHER INFORMATION CONTACT:

Jeanette Timm, Project Coordinator, US Forest Service Black Hills National Forest Bearlodge Ranger District; 101 S. 21st Street; PO Box 680 Sundance, WY 82729-0680; jmtimm@fs.fed.us; 307-283-1361.

Individuals who use telecommunication devices for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 between 8 a.m. and 8 p.m., Eastern Time, Monday through Friday.

SUPPLEMENTARY INFORMATION:**Purpose and Need for Action**

The purpose of this project is to allow a statutory right in a manner consistent with federal laws and the 1997 Revised Land and Resource Management Plan for the Black Hills National Forest, as Amended by the Phase II Amendment (Forest Plan) to construct a rare earth mine as proposed in the Bear Lodge Project Plan of Operation, modified February 2014, on NFS lands. The statutory right of Rare Element Resources, Inc. to develop a mine on federally administered lands is recognized in the General

Mining Law of 1872, as amended. Forest Service surface management regulations (36 Code of Federal Regulations [CFR] part 228) require that all mining activities “be conducted in a manner that minimizes adverse environmental impacts on National Forest surface resources” (36 CFR part 228.8). The Forest Service is therefore required to ensure that the Proposed Action is evaluated in accordance to the National Environmental Policy Act and 36 CFR part 228.

The proposed mine development is needed to provide a supply of rare earth elements to support today’s evolving technologies. Rare earth elements are the technology metals, used in cell phones, TVs, lasers, and wind turbines. The proposed exploration activities are needed in order to continue evaluating the area for geological resources and possible expansion of the mine in the future.

Proposed Action

The proposed action is to approve the Bear Lodge Project Plan of Operation submitted by Rare Element Resources, Inc. to construct a mineable pit, waste rock facility, physical upgrade plant and roads to mine rare earth elements, and continued mineral exploration plan for additional geological resource data. Reasonable and appropriate mitigation measures will also be included.

The Bear Lodge Project is located approximately 12 miles (or 6 air miles) north of Sundance, Wyoming and consists of lands administered by the Black Hills National Forest and private lands. The project is located on NFS lands on portions or all of the following: Sections 5, 7, 8, 9, 10, 11, 14, 15, 17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 29 and 30, Township 52 North, Range 63 West, 6th principal meridian (PM). Private lands are in

portions or all of the following: Sections 9, 10, 15, and 16, Township 52 North, Range 63 West, 6th principal meridian.

The Plan of Operation is summarized as follows:

1. Proposed Bull Hill Mine and Associated Facilities in the Bearlodge Mountains

- The proposed mine area; including the open pit, waste rock disposal area, and PUG plant, would consist of about 1,700 acres: 1,060 acres of NFS lands and 640 acres private lands, within a larger analysis project boundary.
- The open pit mine would be approximately 232 acres in size within Section 17 of Township 52 North, Range 63 West, 6th PM. From the updated NI 43-101 compliant resource estimate, about 1,043 million pounds of measured and indicated rare earth oxides are available to support the mine plan. The mine pit is estimated to be 500 feet deep at its lowest point and approximately ¾-mile wide and 1.5 miles long.
- A main access road (Miller Creek Road) to the mine area is proposed along County Roads 208, 266 and 8 and National Forest System Roads 854 and 851. This 13 mile access route is proposed for upgrade to accommodate two-way driving traffic in 12 foot lanes with 4 foot shoulders. The total proposed width of the right-of-way for the access route is 80 feet. For the purposes of safety, the route would be designed with grades under 6 percent. The mining traffic is estimated between 13 to 17 round trips of semi-trucks of processed ore material each day during operation. This estimate does not include worker traffic or delivery supply vehicles.

- PUG Plant, located within the Mine Area, is designed to maximize concentration of the rare earth minerals and produce a pre-concentrate using a crushing, screening, and gravity separation process depending on the ore type. The PUG process is designed to concentrate the rare earth-bearing fines and reduce the physical mass. The PUG area (approximately 176 acres) would also include administration buildings for personnel, guard station, maintenance of vehicles, storage areas for blasting materials, and gas and diesel storage tanks for equipment. A 6-foot chain link fence would be constructed around the PUG area.
- The waste rock facility would be located on private property in Section 16 of Township 52 North, Range 63 West which is adjacent to the mineable pit and is estimated at 426 acres in size. This area includes a stock pile location for the low grade ore material. An underdrain water collection system would be constructed to control seepage and collect naturally occurring flows from seeps and springs. The collection system would be drained into sediment ponds. A diversion channel would also be constructed for approximately 4,000 feet of Beaver Creek within Section 16 of Township 52 North, Range 63 West.
- Conventional truck and excavator open pit mining methods would be utilized. The mineral material to be removed lies within the oxide layer of the soil. There are areas of the mineable pit that contain variable amounts of weathered oxide ores or oxide-carbonate (OxCa) ores, and that contain variable grades of stockwork mineralization adjacent to the higher grade ores. The pit would have a disturbance footprint of approximately 232 acres. Two haul routes from the pit would be constructed with a 100 foot width between the PUG plant and the waste

rock facility. A 5-strand barbed wire fence would be constructed around the mine and waste rock facility.

- The production rate of the mine is estimated at 500 tons per day of high grade oxides for the first 9 years. As the operation continues, production rates are estimated to increase to 1,000 tons per day. It is estimated the mineable pit would be depleted by year 25. Processing of low grade and other stock piled ores would continue up through year 43.
- A production well is proposed to provide water for the PUG processing and dust control. The well would be located on NFS lands. The well would supply water to a water storage tank via a waterline. It is estimated that up to 74 gallons per minute of water would be required to maintain the operation of the PUG plant and mine, and provide potable water to mine workers.
- A 69kV, 5-strand transmission line would be constructed above ground to provide power needs for the mine area. The transmission line would require a right-of-way of 100 feet to manage vegetation. Approximately 1.5 miles of the power line crosses NFS lands, while the remainder would be on private and State of Wyoming lands. Voice and data communication are proposed for wireless connections.
- It is estimated at full staffing the mine area would employ about 70 workers, including 21 workers in the PUG Plant for the first 9 years and 27 for the remaining years. The mine operation is proposed for a 2 10-hour shifts a day, 5 days a week schedule; while the PUG plant would work an 8-hour shift, 5 days a week for the first 9 years and 2 shifts for the remaining years.

- For areas of ground disturbance, i.e. roads, mineable pit, waste rock facility; vegetation and topsoil would be removed. Topsoil would be stored in designated stockpiles within the waste rock facility and PUG area for future reclamation.
- Approximately 8.71 miles of NFS roads, maintenance level 1, 2, and 3; would be removed from public access.
- To manage the surface water runoff in the mine area, diversion channels would be constructed around the pit and waste rock facility and flow into 6 sediment ponds before being naturally discharged into the neighboring creeks. Sediment ponds have been designed for a 10-year frequency, 24 hour duration event and any discharges would be in accordance with State of Wyoming standards.
- Reclamation and closure are expected to take place progressively during mining operations. It is assumed that all closure and reclamation (excluding monitoring) would be completed within 2 years following the completion of mining. Monitoring would continue following closure and reclamation until stabilization of soil, vegetation, and water quality have been reached.

2. Continued Exploration Plan across 7,000 acres of NFS lands

- To continue evaluation of the rare earth resource and other locatable minerals, additional exploration is proposed outside of the 1,700 acre Mine Area. Exploration is proposed by drilling, trenching, and bulk sampling. Site specific exploration plans, including access requirements would be developed and presented to the Forest Service for review. Forest Service would evaluate and approve the exploration plans prior to implementation.

- Approximately 2000 drill holes, by rotary or core drilling, are proposed with an average depth of 750 feet. Annually, about 48 holes per year are expected for the exploration program.
- Approximately 20,000 linear feet of trenching is proposed over the life of the mine.

3. Hydromet Plant – Upton, Wyoming (Connected Action)

While the Upton Hydromet Plant is proposed as a result of the Bull Hill Mine, it is recognized as a connected action to the project. However, since the Upton Hydromet Plant is located entirely on private lands, there is no Forest Service decision or authorization that can be made and therefore, will not be analyzed in detail for environmental effect analysis in the environmental impact statement.

- The Upton Hydromet Plant, located entirely on private land 45 miles south of the proposed Bull Hill Mine, would process the pre-concentrate from the PUG plant through acid leaching followed by additional chemical processing to remove impurities and finally precipitation to produce the final total rare-earth oxides product. The tailings produced from the process would be dewatered, neutralized, and stored in a double lined tailings storage facility (TSF) adjacent to the hydromet plant.
- Water for the Upton Hydromet Plant would be provided by a connection to the Upton municipal water system.
- It is estimated at full staffing the Upton Hydromet Plant would employ about 50 workers. The Plan of Operations proposes a 24 hours a day, 7 days a week work schedule for the Upton Hydromet Plant.

Lead and Cooperating Agencies

The Forest Service will serve as the lead agency for purposes of completing the EIS under the National Environmental Policy Act. The U.S. Army Corps of Engineers, the State of Wyoming, Crook County Natural Resource District and Crook County are cooperating agencies.

Responsible Official

Black Hills National Forest Supervisor Craig Bobzien, 1019 North 5th Street, Custer, South Dakota 57730–7239.

Decisions to Be Made

The Black Hills National Forest Supervisor will decide whether the proposed action would proceed as proposed or as modified by an alternative. Also, the Forest Supervisor will decide which recommended mitigation measures and monitoring requirements would be applied, and whether a Forest Plan Amendment is required. The need for Forest Plan amendments will be determined through the EIS analysis.

Specifically, the Forest Supervisor will approve, or approve with modifications the proposed Plan of Operations and appropriate land use authorizations for the powerline. Decisions will be based on the EIS and any recommendations the Forest Service may have regarding surface management of NFS lands.

Permits and licenses required by other agencies are listed below in the Permits or Licenses Required section.

Permits or Licenses Required

Rare Element Resources, Inc. will secure permits for all mining and reclamation activities as required by law. Several permits will be obtained pending the completion of the analysis and decision.

Bear Lodge Project Permitting Summary

Prior to implementation of the Bear Lodge Project, permits or licenses would be required from local, State, and Federal agencies in accordance with State and Federal regulations and laws. Below; but not limited to, is a list of the permits or licenses expected with this project.

- The Mine Safety and Health Administration (MSHA) would be responsible for enforcing mine safety regulations.
- Wyoming Department of Environmental Quality (WDEQ): Water Quality Division (WQD), Land Quality Division (LQD), Air Quality Division, State Engineering Office (SEO) and Industrial Siting Council (ISC) Division permits. The LQD would be responsible for the issuance of the Permit-to-Mine. The permit application would include both the Bull Hill Mine and the Upton Hydromet Plant. The WQD would be responsible for permits to discharge surface water into nearby streams. The SEO would be responsible for issuing a permit for the production well.
- U.S. Army Corps of Engineer would be responsible for issuing a permit for Section 404 of the Clean Water Act.
- Nuclear Regulatory Commission would be responsible for permitting the Upton Hydromet Plant for possessing source materials.

- U.S. Bureau of Alcohol, Tobacco, and Firearms (ATF) would be responsible for issuing a permit for storage of explosives.
- The Forest Service would be responsible for issuing special use permits for the power line construction and maintenance to Powder River Energy Corp and a Forest Road and Trail Easement to the County for maintenance of the main access route.
- Crook County would be responsible for issuing any permits, agreements, and policy with regards to the construction, reconstruction, maintenance, or use of County roads. The County may also have other permits or agreements in conjunction with State of Wyoming regulations.

Scoping Process

This notice of intent initiates the scoping process, which guides the development of the EIS. The scoping procedure to be used for the EIS will involve notification in the Federal Register; a mailing to potentially interested and affected individuals, groups, Federal, State, tribal, and local government entities requesting input by way of comments, issues and concerns; news releases or legal notices; and public scoping meetings. The Forest Service is seeking information and written comments concerning the proposed action from Federal, State, tribal, and local agencies, individuals, and organizations interested in, or affected by, the Proposed Action or Alternatives. To assist the Forest Service in identifying issues and concerns related to the Proposed Action, scoping comments should be as specific as possible.

Through development of this EIS, the Forest Service will analyze environmental impacts of the proposed mining and exploration activities and reasonable alternatives to the proposed action.

Public scoping meetings are planned to be held in Upton and Sundance, Wyoming. The dates, times, and locations of the public scoping meetings will be announced in mailings and public notices issued by the Forest Service. This information will also be posted on the project web page at the Forest website.

- Sundance = Crook County Court House, Community Room, 309 Cleveland St., Sundance, WY 82729
- Upton = Upton Community Center, 917 N Hwy 116, Upton, WY 82730

It is important that reviewers provide their comments at such times and in such manner that they are useful to the Agency's preparation of the environmental impact statement. Therefore, comments should be provided prior to the close of the comment period and should clearly articulate the reviewer's concerns and contentions.

Comments received in response to this solicitation, including names and addresses of those who comment, will be part of the public record for this proposed action. Comments submitted anonymously will be accepted and considered; however, anonymous comments will not provide the Agency with the ability to provide the respondent with subsequent environmental documents.

Dated: March 20, 2014.

Dennis L. Jaeger, Deputy Forest Supervisor.

[FR Doc. 2014-06916 Filed 03/27/2014 at 8:45 am; Publication Date: 03/28/2014]